



Pearson

Examiner's Report

Principal Examiner Feedback

January 2017

Pearson Edexcel International
Advanced Level
in Business (WBS03) Paper 01

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This paper followed the style, format and structure established in the published sample assessment material and previous live papers, with the same Assessment Objective (AO) and Mark Band (MB) weightings.

Examiner reports are a valuable resource for helping prepare students for external assessment, as they contain relevant general advice that is likely to be useful for staff and students in preparation for future papers. This report should be read in together with the examination paper and the Mark Scheme for this paper.

My own observations, supported by reports from examiners who worked on this paper, will sometimes repeat problems or advice that have been raised in reports on other papers and in previous series. However, any repetition is because these issues continue to reappear in papers. Based on the work seen from students who took the 1701 paper, the main issues are summarised as follows:

- Preparedness

Students taking the WBS03 paper in January 2017 may be in the second year of a two-year teaching and study period which started in September 2015, but this still means that their work for this A2 level paper can have only started in September 2016. In preparation for external assessment, students may have used sample assessment material, plus the past papers, mark scheme, and PE reports from previous Series, although judging from some of the work seen, some candidates may not have had this exposure to these resources.

The Specification sets the standard required for this unit, but it was evident from some of the answers and papers, that some students were not fully prepared. These students, showed gaps in knowledge of specific business terms, a tendency for generalisation, the use of a rehearsed and formulaic approach to answer questions, plus a lack of application in some of the responses, and little depth of assessment or evaluation. Taken together, these observations suggest that some students were not prepared sufficiently for this type of external assessment.

The situation could be reversed in future examination series, to the benefit of students, if sufficient time is given to covering the content of the Specification, and applying the learning to 'real life' case study examples from the business world, rather than being taught how to write answers to a set formula.

On a more a general point, teachers need to remember that is a Business Studies paper - it is not within the Economics specification, and although it may help some students to be familiar with the principles of economics, it would serve them better to be more aware of the world of business and how businesses work in practice.

- Rewriting question and copying given evidence

Whilst it would appear that some candidates find it a good way to lead their thoughts into an answer, students should be reminded that simply rewriting a question is not usually sufficient to gain marks. Rewriting the question or information given in the evidence will not produce marks unless it is being used in context, to support a statement being made in the answer. The question asked needs to be answered, rather than just written about or described.

- Not answering question

Some students will pick a word or topic from within the question, and then write all they know about that particular word or topic – rather than answering the question asked. This could be a way of demonstrating knowledge of general business terminology, but students need to understand that marks are only given for an answer that addresses the specific question asked.

Linked to this is a tendency for weaker students to throw into their answer general expressions such as ‘...increase profit...’, ‘...grow market share...’, ‘...sell more...’ etc. Again, students should be made aware that such general terms are unlikely to result in marks unless they are related directly to the question asked. Just writing ‘...which means or which will lead...to more sales and more profit...’ at the end of an answer will not lead to more marks.

- Overwriting

Quantity does not necessarily equate to quality nor higher marks. Some students appear to think that if they fill the space in the answer booklet, plus several extra pages, then they will get higher marks - this is rarely the case. Often the sense of what the student is writing gets lost in the words which just fill the pages. Markers will read every word to see if there are any marks within the text, but sometimes marks can be difficult to identify if they are hidden within long general descriptions. The space provided in the answer booklet is planned to match the marks available and consequently the amount of writing that students should produce, any more and they are usually wasting time in the exam. As students move from education and into the world of business they will soon learn that a concise analysis or report is much more useful than a long and rambling piece of writing.

The paper

The theme of the 1701 paper was based on DS Smith plc, the international producer of cardboard and plastic packaging. Although focussed on one particular sector, evidence was provided to students which outlined the business, its recent background plus its aims and objectives; as such, this case study does not appear to have caused any problems for candidates. All questions should have been accessible to candidates of all grades, and, in practice, most candidates attempted all questions.

Section A

Questions 1a and 1b

Despite the apparent simplicity of these questions, some candidates gave weak answers which were no more than vague generalisations, rather than the more precise answers which are expected at this level.

1a) asked 'What is meant by the term investment?'

Some students seemed to think that investment is just funding for starting or expanding a business – as in people invest in a business. Students gained marks if they developed their answer to include the need for a return on an investment. Weak definitions, simplistic or general answers given by candidates would only be given 1 mark. 'Mirror' answer along the lines of '...investment is when you invest...' were not sufficient for a mark. Also, as this is a business paper, answers that were based on personal investment of cash in a bank were not credited. There were plenty of examples of business investment in the given evidence, and students should be answering these questions in a business context.

1b) asked 'What is meant by the term corporate social responsibility?'

Again, we saw a lot of weak definitions which centred around ethics or wanting to contribute to the community or wanting to be environmentally aware. Students who based their answer on examples drawn from the evidence gained full marks.

Question 2

This question produced lots of generic answers about contingency planning. Rather than identifying **one** example (as specified in question) and basing an answer on this example, many students listed out all the examples given in evidence C. Consequently, it was difficult to find application marks in many answers, which limited students' total mark. However, the majority of students were able to show some knowledge of contingency planning. Where a specific risk was identified, it tended to be regarding the expansion strategy, more specifically funding for or managing takeovers. Some students wrote about more generic risks like factory fires and a few mentioned production risks e.g. not having enough raw materials. As noted, application was not always in evidence.

Many students based their answer on normal, prudent, financial planning, rather than contingency planning, using the two terms interchangeably, which is not correct and did not result in many marks.

To have improved their mark in this questions it would have been helpful for students to have read the question carefully, identify and answer precisely what was asked for i.e. to explain how contingency planning could be used to reduce one risk.

Question 3

Students were asked to 'Analyse the nature of company growth for DS Smith as described in Evidence D and E.' This question produced some good answers, but there was a tendency for candidates to overwrite and expand their answers into evaluation - which was not asked for, earned them no marks and would have taken time away from answering other questions.

Overall, knowledge of company growth strategies was generally good, application weak, but analysis good.

However, one has to question just how carefully some candidates read the questions and took in the information provided in the evidence, judging by the large number of students who wrote about 'Australia' when the evidence clearly refers to Austria.

Again, it is essential to advise students that reading the question carefully - before rushing ahead and starting to write randomly about the general topic - will help them to improve their marks.

Question 4

Students were asked to assess whether Evidence B showed characteristics of a strong corporate culture.

As observed with some other questions, weaker students tended to write generic answers - in this case, lots of extended definitions of corporate culture, not related to the question of whether or not DS Smith showed characteristics of a strong corporate culture. There was also a tendency for some students to confuse corporate culture with corporate social responsibility (CSR), resulting in an answer that just copied statements relating to the DS Smith CSR policy from the evidence, just listing examples of CSR. Some students offered discussion on leadership styles or applied examples from the given evidence to Charles Handy and his theories. Students who were more confident about the characteristics of corporate culture were able to pick up evaluation marks, but often made generic comments which were not always in context.

Marks could have been improved by identifying the main topic of the question, and sticking to it - rather than drifting into CSR.

Question 5

Question directed students to evidence D and E, which gave examples of various takeovers carried out by DS Smith. Students were asked to assess the use of takeovers as a corporate strategy. Most candidates seemed to be familiar, in general terms, with the concept and practice of takeovers as a way of growing a business, and this knowledge would have given students some marks. To increase their marks students would have needed to apply this knowledge to the examples given for DS Smith, and to analyse the effect of this strategy on DS

Smith itself. Weak application along the lines of 'to increase market share' or 'to increase profit' and a tendency to generalise limited marks. Students are advised to apply their knowledge wherever possible to the real-life situation given in evidence, in order to maximise their marks.

Section B

Question 6

For this question, students were asked to evaluate the extent to which this takeover described in evidence G was successful for DS Smith; financial figures for the years before and after the takeover were provided for students to use to support their analysis and evaluation of the situation.

There was an equal split between students who calculated ratios and used ratio analysis to support their answer, and those who discussed the trends based on the data in evidence G, both approaches were accepted for marks. Most candidates read the question and used the evidence to support their commentary which allowed them to more easily gain analysis marks. Students who did not use the evidence provided and only wrote about the takeover in general inevitably gave weaker answers, and consequently scored lower marks. Pleased to report that where students used ratio analysis there were rarely miscalculations or lack of knowledge, those that used ratios to back up their points tended to provide better analysis of the situation. However, some students just did the calculations and did not provide any real analysis or evaluation, thus missing out on potential marks. Students who referred back to the question were able to gain higher marks, as they tended to focus their answers more carefully; those that did not tended to lose focus and produce more generic answers, for lower marks. Students whose evaluation was based on generic points, such as need to consider qualitative not just quantitative factors, needed more information to boost their mark. Students who were able to draw upon their analysis of the financial data to support their evaluation of the extent the takeover had been successful scored higher marks.

Question 7

Most students were able to access this question and seemed to have been well prepared for a question on stakeholder conflict. Most seemed to understand stakeholder conflict well and were able to explain where stakeholder conflicts may arise. Weaker students tended to provide limited and general comments on conflict between shareholders who sought dividends and directors who wanted more pay. Stronger candidates were able to draw upon the information in the extracts to discuss the conflicts that may arise in context of the AGM and resolutions. Some students made passing reference to the context but then were not able to analyse or evaluate in context. To gain more marks students need to

apply their analysis to the context and evaluate to what extent there would be conflict, and where both parties were likely to compromise, as in the long term both were aiming for same objectives. Some students recognised that 60% of shareholders had voted for the resolution, and therefore the majority were in agreement with the company directors. Evaluation tended to be weaker than the analysis in many answers. Students that attempted a judgement often provided weak comments which tended to summarise and repeat the points already made. To maximise their marks, students are advised to refer analysis and evaluation back to given evidence, to demonstrate that they can apply their knowledge, rather than just remember the theory.

Summary

Based on their performance on this paper, to improve their mark, students should:

- read the given evidence thoroughly
- read and note any additional evidence being provided in the stem of the question
- read each question thoroughly before they start writing their answer, to make sure that their answer is actually based on the main topic of the question
- read back their answer to make sure that they are actually answering the question asked
- apply knowledge and theories in context throughout their answer, applying this to the question asked and evidence given
- relate their answer to business, rather than economic theory - this is, after all, a business paper
- try to avoid generic answers
- try to limit their answer to the space provided in the answer booklet, which should help to focus their answer more closely to the question asked

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

